



June 3, 2014

Palmdale Regional Medical Center

OSHPD RATE INCREASE – ANNUAL REPORTING REQUIREMENT

Palmdale Regional Medical Center implemented rate increases effective January 1, 2014. The overall rate increase for the hospital was 8%, however the increases ranged from a high of 20% for some individual charge items to a low of 0% for some individual items. The net overall increase in total patient revenue for the period January 1 through May 31, 2014 has been 13% when compared to prior year, caused by the 8% rate increase and a 5% increase in patient volume.

Sincerely,

A handwritten signature in black ink that reads "Michael Romedy". The signature is fluid and cursive, with the first name "Michael" and last name "Romedy" clearly legible.

Michael Romedy

Controller/ Acting CFO